

**M E M O R A N D U M**

**TO:** New Jersey Board of Public Utilities Secretary of the Board Sherri L. Golden

**FROM:** Hilary Chebra, Manager, Government Affairs, CCSNJ

**RE:** BPU Docket No. GO23020099

**DATE:** September 6, 2023

The Chamber of Commerce Southern New Jersey (CCSNJ) is the region's largest and most influential business organization representing businesses in the seven most southern counties of New Jersey, as well as greater Philadelphia and northern Delaware. The CCSNJ has approximately 1,200 member companies, of which 85 percent are small businesses that employ less than 50 people, as well as 130 nonprofit members.

The Chamber of Commerce Southern New Jersey respectfully submits these comments in response to the Future of the Gas Utility proceeding held in August in the above-referenced docket. The South Jersey business community are fully committed to being a partner with the State in achieving its climate goals. Since 2021, SJL imposed upon itself their own ambitious climate goals, including achieving carbon neutral operations by 2040, and by 2030 reducing operational emissions by 70 percent.

Executive Order 317, signed on March 6, 2023, directed the Board of Public Utilities to engage with stakeholders to how the natural gas industry can best meet the State's 50 percent reduction in greenhouse gas emissions below 2006 levels by 2030. The CCSNJ recommends that the path to decarbonization should be carried out in a thoughtful way that takes into consideration the full cost to both residents and businesses. The costs associated with widespread electrification must be carefully studied prior to final policy decisions. These expenses include those associated with the installation of new electric equipment and appliances, the cost of new transmission and distribution infrastructure, the cost of new electric generation, and the cost of updating the existing grid. If the state does not give the business community a clear picture of the cost of implementing the Governor's clean energy goals, many will see that uncertainty as a negative for choosing to do business in New Jersey.

Continuing an approach that does not include an electrification mandate is important to ensuring that the path to decarbonization is successful. With the still unknown cost to residents and businesses of switching from natural gas to full building electrification, consumers cannot make informed choices of what is feasible for them. Ensuring consumer choice regarding natural gas service will allow residents and businesses to make decisions on what is best for them in terms of practicality and affordability.

While considering the best path to decarbonization, the impact that it will have on jobs must be heavily weighed. South Jersey, being more rural and less populated than the northern part of the state, has fewer economic opportunities. The economy, long dominated by hospitality and gaming, suffered greatly during the pandemic, and is continuing to recover. Careful consideration must be made as to the effect that full decarbonization will have on the economic impact to the region.



The CCSNJ appreciates that Executive Order 317 directed BPU staff to take into consideration “the potential to convert existing pipeline infrastructure to provide decarbonized heating and cooling” as part of the Future of the Natural Gas Utility proceedings. The most efficient cost-effective approach to meeting the State’s energy goals requires using the state’s existing infrastructure for future clean fuels. This protects the significant investments ratepayers have already made in that existing infrastructure. Additionally, it is imperative that the grid is enhanced to enable it to support new clean energy technologies. Updating the grid is an essential component of the state’s infrastructure to consider in order to ensure that residents continue to have reliable power.

As the state moves to new energy resources, like Renewable Natural Gas (RNG) and hydrogen, using existing infrastructure is an effective way to change to these new sources. For these reasons, the Board should consider support for legislation such as **S-1366/A-577(Smith/Oroho/Karabinchak/Greenwald/Munoz)** which directs BPU to establish program concerning renewable natural gas and provides gas public utilities with customer rate recovery mechanism for costs associated with such a program.

The CCSNJ appreciated the thoughtful approach the BPU has taken on this this important topic and looks forward to continued dialogue on this issue. Thank you for the opportunity to share these comments.